

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				
	MAJOR				GOVERNMENTAL
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	NON-MAJOR	TOTALS	ACTIVITIES -- INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Operating revenues	\$ 2,002,688	\$ 1,817,576	\$ 680,340	\$ 4,500,604	\$ 1,569,067
Total Operating Revenues	2,002,688	1,817,576	680,340	4,500,604	1,569,067
OPERATING EXPENSES					
Salaries, wages, and other administrative	240,615	-	54,181	294,796	521,761
Interest expense	1	-	-	1	18
Depreciation	149	-	24	173	48,966
Purchases for resale	-	-	493,271	493,271	43,058
Purchases for prison industries	-	-	-	-	14,204
Lottery prize awards	1,107,050	-	-	1,107,050	-
Premiums and claims	-	-	1	1	894,837
Unemployment benefits	-	1,980,227	-	1,980,227	-
Other operating expenses	-	369,173	1,262	370,435	51,099
Total Operating Expenses	1,347,815	2,349,400	548,739	4,245,953	1,573,943
Operating Income (Loss)	654,874	(531,824)	131,601	254,651	(4,876)
NONOPERATING REVENUES (EXPENSES)					
Specific tax on spirits	-	-	11,989	11,989	-
Interest revenue	960	-	1,177	2,137	3,025
Investment revenue (expense) - net	17,734	58,068	48	75,850	-
Other nonoperating revenues	-	-	-	-	630
Amortization of prize award obligation discount	(39,223)	-	-	(39,223)	-
Interest expense	(4,347)	-	-	(4,347)	(1,214)
Other nonoperating expense	-	-	-	-	(791)
Total Nonoperating Revenues (Expenses)	(24,876)	58,068	13,214	46,406	1,651
Income (Loss) Before Capital Contributions and Transfers	629,997	(473,756)	144,815	301,057	(3,226)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions from other funds	-	-	-	-	1,125
Transfers To:					
School Aid Fund	(644,883)	-	-	(644,883)	-
Other funds	(13,193)	(99,325)	(144,180)	(256,698)	(1,190)
Total transfers to other funds	(658,076)	(99,325)	(144,180)	(901,580)	(1,190)
Total Capital Contributions and Transfers In (Out)	(658,076)	(99,325)	(144,180)	(901,580)	(64)
Change in net assets	(28,079)	(573,080)	636	(600,524)	(3,290)
Total net assets - Beginning of fiscal year	105,176	1,660,522	5,841	1,771,539	124,910
Total net assets - End of fiscal year	\$ 77,098	\$ 1,087,442	\$ 6,476	\$ 1,171,016	\$ 121,620

The accompanying notes are an integral part of the financial statements.